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***EMPLOYEE BASED BRAND EQUITY:
AN EMPIRICAL STUDY ON
COMMERCIAL BANK OF ETHIOPIA***

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ID. No. GSE/0828/06

**ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE
GRADUATE PROGRAM**

**May 2016
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***EMPLOYEE BASED BRAND EQUITY: AN
EMPIRICAL STUDY ON COMMERCIAL BANK
OF ETHIOPIA***

**A Thesis submitted to the School of Graduate Studies of Addis Ababa
University in partial fulfilment of the requirements of the Master of
Arts degree in Marketing Management**

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ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE
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DECLARATION AND CONFIRMATION

I, the under signed, declare that this submission is my own work, prepared under the supervision of Temesgen Belayneh (PhD). To the best of my knowledge and belief, it contains no material previously published or written by another person nor material which has been accepted for the award of any other degree or diploma of the university or other institute of higher learning, except where due acknowledgment has been made in the text.

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Date

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Acronyms/Abbreviations

EBBE-	Employee Based Brand Equity
CBB –	Construction and Business Bank
CBE-	Commercial Bank of Ethiopia
NBE –	National Bank of Ethiopia
IMF –	International Monetary Fund
CRM –	Customer relation Manager
CSM -	Customer Service Manager
CSO -	Customer Service Officer
CRO -	Customer relation Officer
NPL –	Non Performing Loan
FCY–	Foreign Currency Yield

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ABSTRACT

In today competitive market, it is difficult to realize a sustainable competitive advantage only from the functional benefits. With functional values lacking unique or distinctive attributes, “what is delivered is less important than how it is delivered”. It is for this reason that an organization’s brand, which is considered to be a cluster of functional and emotional benefits, is considered to be a necessity for organizational sustainability. Referring to this point, brand equity is important to organizations sustainability, organizations should measure and assess their employee level of brand equity. This result help the company to design a specific and targeted strategy in order to develop employee brand equity. Thus, the research endowed on the objective to examining and measuring employee based brand equity of Commercial Bank of Ethiopia and identifying the difference on the level of brand equity between different job positions and experience. To proceed to the data collection, researcher prepared a structured questionnaire and employees asked to give their level of agreement to 22 list of statements by using five point likert-type scale. From the total population of CBE Employees 252 samples were proportionally selected from head office and four districts that are found in Addis Ababa city by using a non-probability convenience sampling technique. The collected data measured and analyzed using the Descriptive statistic: mean, standard deviation and mean rank, and inferential statistics, Pearson correlation, Mann-Whitney and Kruskal-Wallis test on the level of the three dimensions of employee based brand equity: brand knowledge, role clarity and brand commitment, and also to identify the relationship of the three dimension and to test significance of mean rank difference between the groups. The study found out that employee “brand knowledge” is higher than “role clarity” and “brand commitment” and employee “brand commitment” found lower. The study reveals that there is a significant difference between job positions and work experience on the dimensions of employee-based brand equity. The relationship of the three EBBE dimensions have been found strong and significant. Based on findings, the paper recommends the bank should arrange discussion, training and workshops in order to sustain and improve employee’s current level of brand equity.

Key terms: *Brand, Brand Equity, Employee, Internal Brand Management, Brand Knowledge, Brand Commitment, Role Clarity and Employee Based Brand Equity*

CHAPTER ONE

INTRODUCTION

1.1. Background of the study

In today competitive market, it is difficult to realize a sustainable competitive advantage only from the functional benefits, tangible (King & Grace, 2010). In fact, it has been argued in the literature that the real competitive advantage in today's intensive market is realized through an increased focus on operant resources, for example, skills and knowledge (Vargo & Lusch, 2004).

The first rational marketing, which views brand product/service competitive advantage realized through tangible and functional benefits. And the second emotional marketing thoughts organization was competing by providing distinct product/service to serve the customers and also includes emotional benefits to win hearts and minds of customers. In this case, organization brand is considered to be a cluster of functional and emotional benefit. The recent spiritual marketing focus on developing ongoing relationship with customers through collaboration for mutual value creation with win-win outcomes. This philosophy assumes brand connected with the human spirit of its customers who desire that they assume their fair share of social responsibility (Kwon, 2013).

Successful brands generate many values to the company through its assets and importance to quantify its values in the framework of marketing strategies. Over the past 2 or 3 decades brand definition, functions and characteristics have been widely studied. However, since the early 1990s, brand has been the object of new questions and concerns which is building a strong brand (high brand equity). Since the late 1990s, new research streams in marketing have allowed for a new way of approaching the question of what makes a brand strong, thereby enriching our understanding of brand equity. Early studies explained long-term relationships, the creation of added value based on knowledge and experience, the role of marketing resources in firm performance help to create a strong brand (Tavassoli, Sorescu, & Chandy, 2014).

Aaker (1991) defines value of brand equity as a set of assets and liabilities linked to a brand's name and symbol that add to or subtract from the value provided by a product or service to a firm

and or that firm's customers. As indicated by Kwon (2013), area of brand equity has grown at a remarkable rate in the business market and academic field, with two primary perspectives: consumer-based brand equity (CBBE) and employee-based brand equity (EBBE); often referred as internal brand equity.

CBBE is defined from the consumer perspective that is consumer knowledge, familiarity, and associations with respect to the brand (Washburn & Plank, 2002 as cited in Aaker, 1991). In addition, the perceived quality, the association, and the well-known name (brand awareness) empower brand loyalty by providing reasons to buy the product and increase customer satisfaction (Aaker, 1991)

EBBE is defined from the employee perspective that is differential effect that brand knowledge has on an employee's response to his or her work environments and cultures (King & Grace, 2009). Even if EBBE is recently becoming an emerging field on brand equity, it serves as a foundation to build CBBE because employees who understand and wholeheartedly endorse the organization's objectives deliver them to their customers (King & Grace, 2009). That is, employees play an important role in building a bridge between the organizations and customers.

King and Grace (2009, 2010) articulate that brand equity from the employee perspective should be considered and measured since employees are ambassadors who deliver brand promise to customers. As EBBE is a bridge between the organization and customers, it is important for organization to assess and measure different dimensions of EBBE: brand knowledge, role clarity, and brand commitment. Measuring and analyzing EBBE help companies to find out the gap in their internal marketing and to design effective internal marketing strategy. That will in turn have positive impact in the development of CBBE. Company's success depends not only on its own actions, but also on how well the entire value chain serves the needs of final consumers (Kotler and Keller, 2006).

This study intends to measure employee based brand equity in financial organization (CBE) and the relation between different dimensions of brand equity based on Kwan (2013) EBBE model that is a modified version of King and Grace (2009) original EBBE model.

1.2. Company Profile

Commercial Bank of Ethiopia (CBE) is first established in 1942 as State Bank of Ethiopia with one million Maria Theresa capital and has 43 employees. CBE was legally established as a share company in 1963 with birr 20 million capital and has 758 employees in the center and 21 branches (CBE, 2014/15).

From the performance report from 2010/11 to 2014/15 of CBE the historical progress is organized in the order of strategic years shown under table1:

Table 1: Important phenomenon in CBE through time

Period of CBE	Important Phenomenon During the period
Derg Regime,	Monopoly (merged with Addis Bank in 1980); Low deposit growth (Birr 4.2bn) (Gov't deposit Birr 100 million); Total loan stagnant (Birr1.2bn) and Gov't Bond Birr 2bn; High NPL (above 30%)
1992 to 2000	Financial sector liberalization; Emergence of private banks (competition); Total Deposit stood at Birr 17bn (14.5% average growth); Excess Liquidity; Aggressive credit disbursement (loan stood at Birr 10.4 billion & NPL increasing time to time); No amendment on policies and procedures.
2000 up to 2006	NPL become serious problem and stood at Birr 5 billion (52%); Deposit stood at Birr 28billion (9% average growth); Total loan stagnant (Birr 9.2 billion); Different change initiatives were taken (Earnest and young, KPMG; and BOSSI;

after 2006

Uninterrupted growth of the Ethiopian economy,
Leadership roles of the BOD become more strong ,
Conduct comprehensive and integrated change initiatives (BPR and BSC)
Attitude; and Process;
Regular review and take appropriate measures;
Focused on effectiveness.

Source: CBE (2015/16)

Currently CBE has a leadership role in the commercial banks in the country and grows uninterrupted. The actual performance in 2014/15 reaches profit before tax 12,664 BN, market share 62%, deposit birr 241.7 BN, foreign currency mobilized USD 5,759.8 BN and total loan & advance birr 89,665 BN. The bank know has a total asset birr 303.6 BN, 15 districts, 965 branches, 23,242 employees and over 11 million customers.

At the end of the five-year period (June 2014/15), the branch network reached 965. Currently 856 of the 965 branches have been connected through T-24 Core Banking solution system. CBE's ATM and VISA card users increased from 15,000 in 2009/10 to 1,604,363 in 2014/15 and in the same year Mobile and Internet Banking users reached 7,838 starting from 2012/13 which has only 215 customers.

CBE has two affiliated companies, the first one is CBE-South Sudan Ltd. Which is a wholly owned subsidiary and it has been in the business since June 2009. And the second one is Commercial Nominees PLC and CBE owns 96% of share. CBE has relationship management authority (RMA) with 720 correspondent banks of which the Bank has 50 accounts in different currencies. CBE also works with 19 Money Transfer Operators (MTO's) like Western Union, Xpress Money, Bole Atlantic International, Money Gram, etc.

CBE has many expansion construction projects and recently 17 floor modern building fully dedicated for a Center of Excellence was inaugurated and has started to give training services to the Bank's employees. The big construction project has laid a foundation for a 46 store modern

complex in June 2015. When it is completed CBE will have a modern and technologically well-equipped Head Quarter after four years.

The CBE was established to perform major banking functions, including:

- Accepting saving, demand and time deposits;
- Providing short, medium and long term loans;
- Buying and selling foreign exchanges;
- Buying and selling negotiable instruments and securities issued by the government, private organizations or any other person; and

Engaging in other banking activities customarily carried out by commercial banks.

1.3. Statement of the problem

With functional values lacking unique or distinctive attributes, given the ease with which they can be copied, de Chernatony and Cottam (2006, p. 616) argue, “ultimately, *what* is delivered is less important than *how* it is delivered”. It is for this reason that an organization’s brand, which is considered to be a cluster of functional and emotional benefits, is considered to be a necessity for organizational sustainability (King & Grace, 2010).

Coming after the emergency of the term and ideas of “brand equity” in the 1980s, there has been a growing interest in the subject among marketing academicians and practitioners (Cobb-Walgren, Cathy, Cynthia, and Donthu, 1995). Then on marketing researchers dedicate their time and significant resource to conceptualize brand equity and demonstrate its consequence.

Cordock (2009) in its book ‘All employees are marketers’ has a statement that, “Real-life, proven, employee-driven strategies to get more customers, get more referrals, get more revenues and get more profits” (P. 3). As such, successful brands are realized through positive employee behavior. This broadened view of brand equity offers new and additional input perspective to value brands on the balance sheet, how to measure returns to investments in brands, and how to excel traditional functional boundaries.

And also the benefits manifested in brand citizenship behaviors, employee satisfaction and intention to stay with the organization, as well as positive employee word of mouth (King and Grace, 2010). This positive attitude and behavior results for their job, organization and its brand helps employees to develop effective employee-customer relationship. This was supported by Vargo and Lusch, 2004, marketing move from good-dominant, focus on transaction and tangible output, toward service-dominant, focus on intangibility, exchange process and relationship. This being the case, the role of employees, as being the gatekeeper for performing processes, exchanging skill and services, in which value is derived for the consumer, is improved.

Organizational performance is determined by one of the intangible asset which is employee knowledge and experience. In fact, firms not only compete for customers and also for employees. Tavassoli, Sorescu, and Chandy (2014) explain, as strong brand attract customers at higher price, it helps to attract employees at lower pay.

The focus of existing academic research and managerial attention has overwhelmingly been on how strong brands equity helps firms to win the competition through its effect on customers attitudinal and behavioral change for consumer based outcome or values. This outcomes are intention to purchase, willingness to pay premium price, adoption of new product, market share, etc, but the measurement on brand value to the firm is not fully covered (Tavassoli, Sorescu, & Chandy, 2010).

In consideration that central to service brand management is the employee, the brand equity literature falls short of accounting for another stakeholder's perspective, that being the employee. As employee play their brand representative role in different organizations, brand equity research from an employee perspective is necessary.

While strong, successful brands are realized through positive employee behaviors, currently, there is a scarcity of employee research in the area of internal brand management. In seeking to address this deficit, this study empirically tests a model of Employee Based Brand Equity (EBBE).

While numerous studies have been undertaken to examine issues in customer based brand equity (Vukasovic, 2015, Plank, 2002, George & de Chernatony, 2010, Keller, 1993, McDonald, Lee & Yem, 2011 and others), and also in different industries of Ethiopia (Mohamed, 2014, Mulugeta 2015, Misrat, 2014, and others) comprehensive research in the area internal brand equity management especially in our country has been rather limited. To the best knowledge of the researcher, there is no research that attempt to measure EBBE of CBE. This study will fill this gap by investigate the current level Commercial Bank of Ethiopia employee based brand equity by using EBBE model which focus on the internal brand management by association the three customer-based brand equity dimensions (brand knowledge, role clarity and brand commitment).

1.4. Research Questions

This research is based on the fact that brand elements (i.e. name, symbols, signs, and others) represent the company and through marketing campaign brand value association developed by customers. But the relationship that customer has with the companies is in the hands of the employees. Thus, as noted by Cordock (2009), employee in the company is the brand, who is responsible for consistently delivering the brand's promise.

1.3.1 Main research question:

What is the level of commercial bank of Ethiopia employee based brand equity based on modified King and Grace (2010) EBBE model?

1.3.2 Sub-research questions

1. What looks like internal marketing practice of CBE?
2. To what extent CBE employee possess their company brand on EBBE elements?
3. What is the relationship among the dimensions of EBBE?
4. Is there any significant difference in the level of EBBE between job positions?
5. Is there any significant difference on the level of EBBE among work experience groups?

1.5. Objective of the study

1.4.1 General objective

The major objective of this study is to examine and measure employee based brand equity of Commercial Bank of Ethiopia.

1.4.2 Specific objective:

In addition to the above general objective, the study addressed the following specific objectives:

- To investigate internal marketing practice of CBE.
- To measure CBE employee brand knowledge, brand commitment and role clarity.
- To investigate the relationship among EBBE dimensions’.
- To find out if there is any significant difference in the level of EBBE between job positions.
- To find out if there is any significant difference in the level of EBBE between different work experience groups.

1.6. Scope of the study

The scope of the study is confined to measure internal brand equity management specifically on employee attitude and behavior toward their organization. The research is undertaken on the service area of financial sector specifically on Commercial Bank of Ethiopia (CBE) which currently the only government commercial bank providing similar banking service as private banks in the country. Construction and Business Bank merged with CBE after government decision passed on the month of January 2016.

Having in mind the research convey its focus area on the service sector specifically on bank industry, but researcher selects CBE considering its undisputed holding position in building its brand equity in the financial sector of banking industry all over the country. CBE has been growing on market position by the number of customers, profit, FCY and deposit mobilization, loan and other. And also is competing with private banks in advancement of technology by introduce the

new core banking system solution and other core banking related product/service package. In addition, brand equity research was undertaken on CBE from customer's perspective; it is imperative to see from employee point of view to examine the proficiency of the result found from CBBE research result.

1.7. Limitations of the Study

As with any research study, there are potential limitation or weakness that should be addressed. The first limitation is related with employed methodology; convenience sampling is used to data collection and all weakness related with this sampling techniques are the limitations of the study too.

The research collects the raw data from permanently employed managers and employees of CBE in Addis Ababa city administration. Researcher believes that employee in Addis Ababa has more exposure to the services of the bank and the city is rich in investment as well as confronting different type of customer request.

Given that the research focused on head office and four districts that are found in Addis Ababa city, it may rise some concern related with the ability to generalize the result to the total population of CBE employees.

1.8. Significance of the study

Technology is changing at a rapid pace making it difficult for both the customer and the bank to determine the best approach. It is for these reasons that academic research is needed to test newly emerging approaches, interpret marketing strategies and assessing the value in different perspective. Similarly, measuring EBBE will help first for managers to justify internal brand management with hard and measurable fact; and second provide to drive comprehensive

mathematical function to compute brand equity in addition to the variables related to consumer and product.

Since the research objective is to measure brand equity from employee perspective, it expected to increase company managers' and executive's knowledge with respect to the level of employee based brand equity. This knowledge will help them to design appropriate internal marketing strategy that will benefit employees', customers' and the company as a whole. It also used as source document for further researchers, empirically testing EBBE model in Ethiopia financial institutions will add to previous findings.

In addition to the above benefits, it serves as a starting-point for upcoming research which can be conducted in another service institution, different sector/industry for example manufacturing sector), and region. Further, the company and other similar service institution will have an input to build and manage brand equity in their strategic decision making and brand market performance from the final result found.

1.9. Organization of the study

The study has five chapters. The first chapter contains a brief background of the study, statement of the problem, research questions, and objectives of the study. It also touches up significance of the study and scope of the study. The second chapter deals with literature review, in which review of scholar work in the research topic, both theoretical and empirical literature, is presented. The third chapter discusses research design and methodology that has been used to undertake the research. In this chapter, the design of the study, the sample size, source and tool of data collection and procedure of data collection are presented. Chapter four is dedicated for data analysis, presentation and interpretation. The final chapter, which is chapter five, is dedicated for conclusion and recommendation of the study

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Brand

Among the marketing subjects brand concepts and its valuation has been intensively researched, but also in the recent years it has emerged as a top management priority in the last decade as managements realized brand are the most intangible valuable asset that firm have (Keller & Lehmann, 2004). Here are some definitions regarding brand:

The term “brand” refers to branded product (example, Diet Koke), Service (example, UPS), retailer (example, Gap Kids), company (example, IBM), person (example, politician, celebrity), organization (example, Boy Scouts), group (example, sport team), or place (example, city brand) (Rogers, 2008 as cited in Mulugeta, 2014).

According to Aaker (1991), brand is a distinguishing name and/or symbol (such as logo, trademark, or package design) intended to identify the goods or services of either one seller or a group of sellers, and to differentiate those goods or services from those of competitors.

American Marketing Association (AMA) define brand as “name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition” (Wonglorsaichon & Sathainrapabayut, 2008).

From the above definitions brand communicates the company distinctive tangible and intangible attributes to consumer and our focus area for this research is the internal brand management performance with respect to employee knowledge on those distinctive brand attributes. This will also differentiates the firm from other competitor who provide similar product and service with different brand.

2.1.1 Service Branding

While conceptually a brand is the same for a good or service (Vargo & Lusch, 2004), branding plays a particularly significant role in the services arena (Berry, 2000). This is attributed to the identified need to build trust and confidence in consumers of a service due to the invisible nature of the purchase (de Chernatony & Cottam, 2006) as well as the variability of the service encounter (King & Grace, 2010).

Strong service brands are only realized, however, when the communicated brand promise is consistent to the brand experience delivered. Consumer's perception of the service brand, while initially formed by the marketing department in the form of external communication, ultimately depends on employee-consumer interaction and the consistency of service delivery (McDonald, de Chernatony & Harris 2001). As such, employees represent a powerful medium for building brand meaning and brand equity (Berry, 2000). It is for this reason that internal brand management practices are emerging as an integral part of an organization's overall brand management strategy.

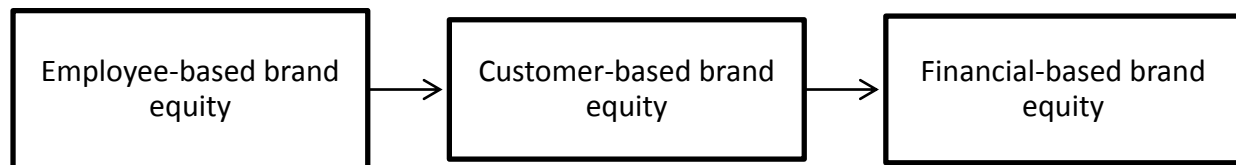
2.1.2 Brand Equity

The term "brand equity" first came into wide spread use in the 1980s and was defined as "The added value with which a brand endows a product" (Farquhar, 1989, P. 2). Aaker (1991) presents one of the most detailed and widely accepted definitions of brand equity as "A set of brand assets and liabilities linked to a brand, its name and symbol that add or subtract from the value provided to a firm and/or to that firm's customers" (P. 6). Keller (1993), on the other hand, defines brand equity as the effect of the brand on the consumers response to the marketing activities associated with a particular product.

It is clear from the above definitions that 'brand equity is a multi-dimensional concept' and can be considered from a number of different perspectives, including financial markets, the consumer, the firm, the employees and the channel of communication (Vukasovie, 2015). Various researches have emerged on the new concept of brand equity but there are considerable debates on the definition as well as the application of the measurements.

Existing measures of brand equity have been classified into three categories. One set of measures are those focusing on outcome of Brand Equity at the product market level, the second category is that of measures related to customer mindset while the third set is based on measurement of financial parameters.

Figure 1: components of brand equity



Source: King and Grace (2009)

King and Grace (2009) suggest that employee-based brand equity “contributes to consumer-based brand equity, which in turn underpins financial based brand equity. In addition Supornpraditchai, Miller, Lings, and Jonmundsson (2009) stated that employees are like customers as far as their perception of the brand (i.e. employee as a human being learns, understands, remembers, makes decisions, and actions based on the brand information he or she has received).

There are many different types of service encounters, and different elements create customer satisfaction in each scenario. Berry, Zeitham & Parasuraman (1990) identified some principal dimensions customers use to judge service: tangibles such as the physical appearance of the building, personnel, and materials; and intangibles such as reliability, responsiveness, assurance, and empathy.

In a face-to-face customer service interaction like banking service, such as service delivered by branches (i.e. deposit and withdrawal, issuing CPO/check, processing loan and foreign currency request, loan payment, etc.), tangibles like the overall appearance of the service environment and employees and the quality of the product, play the most significant role in the customer's perception of the experience.

2.1.2.1 Financial Based Brand Equity

Brand equity in the 1980s, seen from the financial perspective, was viewed as a method that gave managers guidance in understanding brand enhancement. In this perspective, the measures focused on stock prices or brand replacement (Myers, 1991). Simon and Sullivan (1993) defined brand equity as “the incremental cash flows which accrue to branded products over and above the cash flows which would result from the sale of unbranded products”.

Supporters of the financial perspective (FBBE) define brand equity as the “total value of a brand which is a separable asset – when it is sold or included in a balance sheet” (Atilgan, Aksoy & Akinci (2005). Wood (2000) discussed that from a financial perspective it is possible to give a monetary value to the brand that can be useful for managers in case of merger, acquisition or divestiture. Estimating a financial value for the brand is certainly useful but it does not help marketers to understand the process of building brand equity. Wood (2000) believes that marketing perspective of brand equity can help marketers to understand the brand in the minds of customers and to design effective marketing programs to build the brand.

2.1.2.2 Customer Based Brand Equity

Extant literature on brand equity has focused on the perspective of cognitive psychology known as CBBE. The customer-based brand equity (CBBE) approach is the dominant perspective and the one preferred by a majority of academics and practitioners in marketing research because if a brand has no meaning or value to the consumer it is ultimately meaningless to investors, manufacturers, or retailers (Cobb-Walgren, Cathy, Cynthia, & Donthu, 1995).

Motameni (1998) also mentioned this perspective as a marketing perspective. He used the concept of brand equity in the context of marketing decision-making. Keller (1993) used the term consumer-based brand equity to refer to brand equity and noted that CBBE occurs when the consumer is familiar with the brand and holds some favorable, strong and unique brand associations in their memory.

Positive customer based brand equity has many advantages like long term revenues, customers' willingness to seek out for themselves new channels of distribution, the ability of firms to command higher prices and the effectiveness of marketing communications (Keller, 2003). Several scholars (e.g. Cobb-Walgren, Cathy, Cynthia, & Donthu, 1995; Yoo & Donthu 2001) have theorized brand equity similar to Aaker (1991). Although Aaker (1991) and Keller (1993) conceptualized brand equity in a different way, both defined brand equity from customer perspective. Szocs (2012) mentioned that CBBE is referred in literature as a decision support tool that sets up a useful diagnosis for the managers about the ideas consumers have about the brand.

Consumer-based brand equity can be best formulated as a construct caused by brand-related associations in which the effect of brand-related associations is concentrated. In order to be able to make recommendations to managers on how to manage their brand equity or study the nomological network of its constituent components, we need to generate a better understanding of the composition of brand equity in disparate cultural contexts and distinct product categories (Christodoulides, John & Cleopatra, 2015).

2.1.2.3 Employee Based Brand Equity

Employee-based brand equity and internal brand equity serve as synonyms in the current study (Ambler, 2003; Mitchell, 2002). Employee-based brand equity is a relatively new approach, which enables organizations to focus on their objective or vision. Mitchell (2002) asserts that managers should encourage their employees to understand the organizations' (brand) vision because the employees who know the organization (brand) vision can deliver their brand promise to customers. That is, employees play a role as ambassadors between their organization and customers (Ambler, 2003).

The resource-based competitive advantage first appeared in the management literature by Wernerfel (1984), advocates superior resources and capabilities of an organization accommodate sustainability of competitive advantage. The new service-centered dominant logic of marketing, promoted by Vargo and Lusch (1994), based on a similar line of resource-based thought, make a clear distinction between operand (those resources on which an operation or act is performed to

produce an effect) and operant resources (those intangible resources that produce effects and manifested as the firm's core competencies or processes). No consideration has been given, however, to understanding the 'added value' encapsulated in an organization's brand as a result of the operant resources (skills and knowledge) supplied by the organization's human capital (King and Grace, 2007).

The first scholars who addressed the importance of the internal perspective of brand management was de Chernatony in (2001) based on theoretical foundation from the market as well as on the resource- and competence-based view. Instead of looking at brand management solely from the external perspective of the market based view, he accentuated the importance of integrating all stakeholders into the branding process for the successful implementation of brand strategies in the company.

According to Lings (2004), 'IMO' involves the generation and dissemination of intelligence of information pertaining to the wants and needs of employees, and the design and implementation of appropriate responses to meet these wants and needs'. Such an internal approach to market orientation has emerged from the externally oriented market orientation literature (Narver and Slater, 1990 and Kohli and Jaworski, 1990 as cited in King & Grace, 2007).

Here is the inward definition by Mitchell (2002): Internal branding is a cultural shift within an organization, where the employees become more customer focused and more business focused. Employees need to hear the same messages that you send out to the marketplace. The goal of an internal branding campaign is very similar to that of an external campaign: to create an emotional connection to your company that transcends any one particular experience.

Brand knowledge

Backhaus and Tikoo (2004) stress on brand knowledge as a foundation that influences organizations to build brand equity. If the employees have a high level of brand knowledge, they are able to clarify their roles and deliver the brand promise (Ambler, 2003, King & Grace, 2010). Brand promise refers to what a particular brand stands for in the consumers' mind. According to

Kotler and Keller (2006), brand promise is defined as “the marketer’s vision of what the brand must be and do for consumers”.

By identifying brand knowledge, employees can reduce the role ambiguity that is highly associated with their job performance (Babin & Boles, 1996). In terms of brand promise, employees can have different knowledge of the brand, which may lead to a deterioration of brand equity. To establish and develop brand equity, they need a shared understanding of brand knowledge (de Chernatony, 2001). According to King and Grace (2009), employees must translate this brand identity into what it means for them as an employee and how they conduct themselves in the context of their work environment.

Role clarity

Role is defined as, a set of norms and expectations applied to the incumbents of a particular position (Banton, 1965) in an organizational context, when employees have high role clarity, they can clearly understand their requirements. Role clarity plays a critical role in organizational behavior due to its being considered a predictor of organizational outcomes such as organizational performance, satisfaction, commitment, and turnover. King and Grace (2005) argue that a high level of brand knowledge serves as a catalyst for employees’ role clarity.

Brand commitment

Organizational commitment is that the aims and benefits of an organization come together with the skills and desires of the employee in a common point (Roberts and Hunt, 1991). According to Halis and Gokgoz (2007), an organization commitment is beyond faithfulness to the organization; therefore, an organizational commitment depends on 3 conditions. They are given below:

- Accepting the values and beliefs of the organization,
- Willingness to try on behalf of the organization and,
- Going on the membership become a high desire.

According to this definition employee is willing to contribute and has very active relations with the organization.

Burmann and Zeplin (2005) defined brand commitment as “the extent of psychological attachment of employees to the brand, which influences their willingness to exert extra effort towards reaching the brand goals”. In the context of corporate brand management, brand commitment is synonymous with organizational commitment (Burmann & Zeplin, 2005).

The concept of organizational commitment has attracted considerable attention over recent years and has become a central objective of human resource management. As Guest, 1987 indicated, HRM policies are designed to “maximize organizational integration, employee commitment, flexibility and quality of work”. Commitment which can be described as attachment and loyalty. Individuals can display this attachment and loyalty at a variety of levels: their job, profession, department, boss or organization. (Nehmeh, 2000).

Internal customer satisfaction has been recognized as a component of organizational commitment (Kovach, 1977, as cited in Halis and Gokgoz 2007). It is suggested that internal customer satisfaction is a state of pleasure gained from applying one's values to a job such as job satisfaction (Locke, 1969, as cited in Halis and Gokgoz 2007).

2.2 Conceptual framework and research hypothesis

2.2.1 Conceptual framework

Even though understanding customers' knowledge, attitude and behavior is essential to gain competitive advantage through successful brand management, employees' contribution for building strong brand equity is undeniable. As Ramlall (2004), stresses how important it is to recognize the commitment of individuals to the firm as well as providing an environment that is one in which individuals chose to stay. Organizations must create an environment that supports its intellectual capital through the effective transmission of knowledge. ‘This deep knowledge is what many believe will help to meet the needs and expectations of the customers and to create and

sustain a competitive advantage within the global economy in which organizations are competing in today' (Ramlall, 2004).

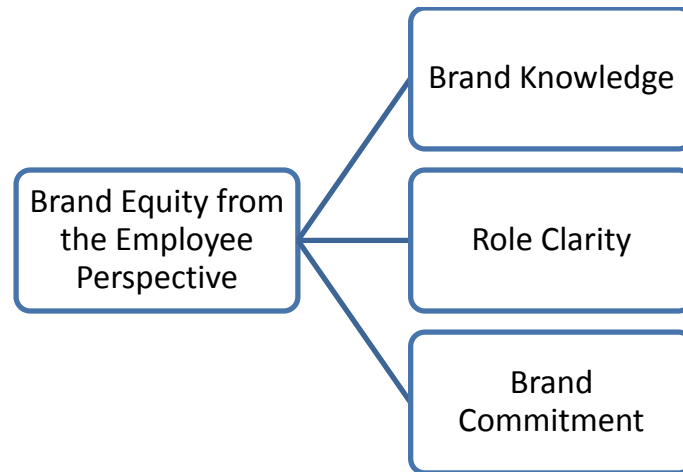
From an external market perspective, branding involves the creation of mental structures that help the target audience to organize their knowledge with respect to that particular product/organization. In doing so, the target audience is able to clarify their decision making with respect to that product/organization and, in turn, this process provides value to an organization through improved customer buying habits. Branding, however, is not only an opportunity to shape customers' perceptions with respect to the organization; it is also an opportunity to shape employee perceptions as well. In fact, a brand represents the relationship an organization has with its employees just as much as it represents the relationship that it has with its customers (Jacobs, 2003).

Researchers made on EBBE (King and grace 2006, Kwon 2013, Cordock 2009) find out that in the context of pure services, it is the actual experience with the brand that dominates customer brand perceptions, of which employees play a major role. As King and Grace (2007) stresses, regardless of how well the brand is presented, nothing will salvage a weak brand experience.

de Chernatony and Cottam, (2006), King and Grace (2009), Miller, Lings, and Jonmundsson (2009) have used the term employee-based brand equity to note that brand knowledge can affect employee behavior. Based on the refined model of Kwon (2013) this research sets the measurement of employee-based brand equity with respect to internal brand equity management of service institution, specifically in the banking industry in Ethiopia.

This research takes the proposed three EBBE dimensions which associate to internal brand management brand knowledge, brand commitment and role clarity.

Figure 2: Dimensions of EMPLOYEE BASED BRAND EQUITY



Source: adopted from Kwon (2013).

2.2.2 Research hypotheses

As the definitions of EBBE and CBBE are similar in the respect that they are both the values that come from the innate nature of the brand. CBBE is defined from the consumer perspective and is based on consumer knowledge, familiarity, and associations with respect to the brand (Washburn & Plank, 2002). EBBE is defined from the employee perspective and is based on the differential effect that brand knowledge has on an employee's response to his or her work environments and cultures (King & Grace, 2009). The research EBBE hypothesis also similarly developed with CBBE.

The dependent variable internal brand equity management, which explained by EBBE dimensions brand knowledge, brand commitment and role clarity, was tested by the following hypothesis:

H₀ 1: Brand knowledge and role clarity have no significant relationship.

H₁ 1: Brand knowledge and role clarity have positive significant relationship.

H₀ 2: Brand knowledge and brand commitment have no significant relationship.

H₁ 2: Brand knowledge and brand commitment have positive significant relationship.

H₀ 3: Role clarity and brand commitment have no significant relationship.

H₁ 3: Role clarity and brand commitment have positive significant relationship.

CHAPTER THREE RESEARCH METHODOLOGY

3.1 Introduction

The objective of this study is to investigate and measure commercial bank of Ethiopia employee based brand equity and empirically to test the internal relationship of the three dimensions of EBBE. This section includes type of research design that will be employed, a description of the population being studied, the sampling techniques to be employed, type of data to be collected and the research instrument that will be used for data collection and how the data will be analyzed and presented.

3.2 Research design

This research used to collect and analyze relevant data on the existing brand equity dimensions from employee point of view using internal brand management elements. In order to investigate the objectives of this study and answer how these dimensions affect brand equity, explanatory research design is employed. Explanatory research design is selected because the study used the existing EBBE model explaining which variables are the cause (independent variable) and which are the effect (dependent variable) and test this model on the current Ethiopian service organization to provide information on the performance of employee brand knowledge and practice. As stated in Hair and Ortinau (2000) exploratory research method appropriate, when the research objective include the determination of the degree to which certain variables are related to actual phenomena as such information can provided to decision makers with evidence that can lead to a course of action.

The study follows quantitative research approach using survey design. As per Creswell (2009), quantitative approach is used primarily to test theories, models and hypotheses pertaining to a specific phenomenon.

3.3 Population and Sampling Techniques

3.3.1 Population of the Study

The target population of the study is all Commercial Bank of Ethiopia employees working in head office and branches. Based on the annual report 2014/15 the bank current status on the number of branch and employees are 965 and 23,242, respectively. Branches are organized in to 15 districts and out of which four districts reside in Addis.

The sample frame used for this research is employees of Commercial Bank of Ethiopia (CBE) working in four districts around Addis Ababa city and head office. These sample frame holds a total number of 297 branches and 10,403 workers. The breakdown of branches and employees in all districts and head office presented in the table 2 below.

Table 2: CBE employees and branches by district

No	Districts	No. of Employee	No. of Branch	Applicability for the study
1	Head Office	2,822	1	Selected
2	North district	2,508	81	Selected
3	South district	2,010	62	Selected
4	East distinct	2,083	73	Selected
5	West district	1,950	81	Selected
6	Adama district	NA	60	Not Selected
7	Bahrdar district	NA	63	Not Selected
8	Dessie district	NA	58	Not Selected
9	Dire Dawa district	NA	75	Not Selected
10	Gonder district	NA	44	Not Selected
11	Hawassa district	NA	57	Not Selected
12	Jimma district	NA	48	Not Selected
13	Mekele district	NA	80	Not Selected

14	Nekemte district	NA	62	Not Selected
15	Shashemene district	NA	54	Not Selected
16	Wolaiyta district	NA	67	Not Selected
Total		23,242	965	

Source: CBE (2015)

Addis Ababa takes the highest share in number of Employees and branches which accounts 44.76% and 31.78% respectively. This justified taking samples from Addis Ababa is more representative. In addition, learning and growth as a strategic objectives implemented in the company. This create equal chance and opportunity for all employees to get training and access to information. Depending on this fact, the researcher assume employees of CBE are homogeneous in terms of training and proximity to information.

3.3.2 Sampling

From the different methods for sample size determination researcher used the one which many researchers used as cited in Wonduante (2013). As table 3 shows the population size which is the total employees of CBE is 23,242 falls under the categories of 10,001-35,000 that states the adequate low sample is 125 and adequate high sample is 500. For this research purpose medium sample size 315 plus additional 10% will be taken (total of 350 samples). The additional 10% sample included with the objective of reducing non-sampling error which will occur from non-respondents and missing to fill all items in the questionnaire.

Table 3: Sample size determination table

Population size	Sample size		
	Low	Medium	High
51-90	5	13	20
91-150	8	20	32
151-280	13	32	50
281-500	20	50	80
501-1200	32	80	125
1201-3200	50	125	200
3201-10000	80	200	315
10001-35000	125	315	500
35001-150000	200	500	800

Source; Carvalho (1984), Zelalem, 2005

Because random sampling is difficult due to “time, cost and ethical consideration” (Dattalo, 2008, P. 5) and it is difficult to get list of sample frame, data for the study have been collected through a non-probability sampling. In this sampling techniques element of population have unknown probability to be selected (Dattalo, 2008).

From nonrandom sampling techniques convenience sampling is selected. A total of 350 samples have been taken from the specified districts and head office. As Kothari (2004) suggested, “Proportional allocation is considered most efficient and an optimal design when the purpose of sampling happens to be to estimate the population value of some characteristic” (p. 63), the total samples have been collected proportionally from the sample frames: See table 4.

The survey administered to 350 employees of CBE at center, districts, and branches.

Table 4: Proportional sample size determination

Item	Total Employee	Percentage %	Proportional sample size
Head Office	2,822	25	87
North district	2,508	22	77
South district	2,010	18	62
East distinct	2,083	18	64
West district	1,950	17	60
Total	11,273	100	350

Source: CBE (2015) and own computation

Even if proportional sample have been taken from head office and districts, individual samples from head office, districts and branches have been taken on a convenience base in such a way that researcher select the employees and give personally to fill the questioner. Questionnaires were handled out to fully employed company personnel in the process at district and center as well as to selected branches within these four districts.

Table 5 : Distributed questionnaire and usable questionnaire

Distributed Questionnaire	Returned Samples	Usable Questionnaire	Usable Questionnaire (%)
350	270	252	72

Source: Questionnaire (2016)

As table 5 shows, from 350 questionnaire that have been distributed to employees of CBE, 270 questionnaires are collected. Among this, 252 questionnaires have been founded valid for further analysis. This make the response rate 72% and as of Babbie (2007) response rate more than 70% is very good for social science study.

3.4 Type of Data and Research Instrumentation

The research data have been collected at one point in time, cross sectional data, from selected sample CBE employees by using questionnaire. Only primary quantitative data have been collected through structured questionnaire.

Structured questionnaire used based on literature review and objective of the study. The research question have different parts. First part asked personal demography profile like respondents' gender, age, job position and work experience. These demography variables used to identify if there is any difference on the level of employee-based brand equity dimensions.

Second part asked respondent to indicate their level of agreement to different statements. Based on Kwon (2013), 21 individual list of statements used for the three constructs of employee-based brand equity. Brand knowledge measures employees' knowledge related to the organizations' goals (visions) for delivering the brand promise (e.g., "I have a clear sense of my organization's vision") by using five items. The eight items role clarity scale measures access the extent to which employees feel they have a clear understanding about expected roles (e.g., "I know what I expected to achieve in my job"). The eight-item scale of brand commitment reflect employees' sense of

belonging to the brand and organization (e.g., “I feel like part of a family at this organization”) and the sense of incorporating the brand values into their values (e.g., “The reason I prefer this organization to others is because of what it stands for, its values”).

All items include 5-point Likert scales (1= strongly disagree, 2= disagree, 3=neither agree nor disagree, 4=agree, 5= strongly agree) and respondents indicated the degree to which they agree or disagree with each statement. Appendix 1 presents the actual items used in the present study.

The survey questionnaire on brand equity management that enabled the assessment of employees’ perceptions, attitudes and behavior with respect to the application of internal brand management practices is taken from the work of the research undertaken by Kwon (2013).

3.5 Reliability and Validity

In order keep the validity and reliability of the questions, each questions have been selected careful from previously done researches (Kwon, 2013). The selected list of questions are reviewed and commented by senior bank staff in addition to thesis advisor to increase validity and reliability of the questionnaire.

Prior to using questionnaire for data collection, the survey instrument have been tested with 20 CBE head office staffs to check for possible problems with statement clarity and respondent understanding as well as ability to complete the survey instrument.

To ensure internal consistency of measurement scale reliability test have been done. The individual variables internal consistency found 0.903 for brand knowledge, 0.862 for role clarity and 0.770 for brand commitment and the total items reliability test result show 0.908 internal consistency which is measured by Cronbach's Alpha coefficient. The reliability test conform that the measurement is consistent. Once the questionnaire pass the reliability test on pilot testing stage the same questionnaire have been used to collect data from head office, district and branch employees of CBE.

Table 6: Reliability Statistics: Total Items

Cronbach's Alpha	Valid cases	Number of Items
.908	20	22

Source: Questionnaire (2016)

Table 7: Reliability Statistics: Individual Items

Variables	Valid Cases	No. of Items	Cronbach's Alpha
Brand Knowledge	20	5	.903
Role Clarity	20	8	.862
Brand Commitment	20	8	.770

Source: Questionnaire (2016)

3.6 Data analysis and Presentation Procedure

After the data is collected through structured questionnaire, Statistic Package for Social Science (SPSS) software have been employed as a computational tool. Descriptive statistics techniques, mean, mean score and standard deviation will be utilized to analyze the three dimensions of EBBE.

In addition to mean and standard deviation, Pearson correlation have been used in order to test the relationship of the three EBBE dimensions: brand knowledge, brand commitment and role clarity; Mann-Whitney test have been used to test whether there is a statistical mean difference between the two 'job position' groups (manager and employee) with respect to level of EBBE; and Kruskal-Wallis H test have been performed to test the statistical mean difference between the four 'year of experience' groups (less than 1 year, 2-5 year, 6-10 year and more than 10 year) levels EBBE.

Mann-Whitney U test is a test on ordinal data of the hypothesis of difference between two independently selected random samples. The U test is the ordinal counterpart of the independent t-test. Since data does not need to be normally distributed in order to run this test properly, it is not as powerful a test as the t-test.

Kruskal-Wallis H test is used for the hypothesis of difference on ordinal data among at least three independently selected samples. Although one-way analysis of variance (ANOVA) is the method of choice when testing for differences between multiple groups, it assumes that the mean is a valid estimate of center and that the distribution of the test variable is reasonably normal and similar in all groups. However, when test variable is ordinal, the mean is not a valid estimate because the distances between the values are arbitrary. Even if the mean is valid, the distribution of the test variable may be so non-normal that it makes any test suspicious that assumes normality. After analyzing the respondent data, the result presented by using cross-tabulation

CHAPTER FOUR DATA PRESENTATION, ANALYSIS AND INTERPRETATION

The previous chapters discussed the general background and objectives of the study, related literatures and research methodology employed to the study. In this chapter, analysis and finding of the study is presented in subsequent section based on research questions.

4.1 Respondent Profile

The questionnaire designed to collect information related with respondent such as general profile is presented on the next sections. As the below table shows from the total number of 252 respondents 66.70%, 168, are male and 33.30%, 84, are female.

Table 8 Respondent Gender

Gender	Frequency	Percent	Cumulative Percent
Female	84	33.30	66.7
Male	168	66.70	100.0
Total	252	100.0	

Source: Questionnaire (2016)

In terms of age group from the total 252 responses retained the majority of respondents fall under adult categories (28-37), which accounts 52.4%, and 18-27 age groups fall on the second rank which holds 25%. Age group 38-47 and more than 48 follows sharing the remaining part 20.2% and 2.4%, respectively. As the table shows the cumulative percent increases at a higher number when it goes from lowest age group to the highest which implies the bank staffs have been working for a long years. From the company profile shown above CBE branches and organizational structure expanding year to year which requires additional staff. The age group 18-27 expected to indicate this new staff employment activity.

Table 9: Respondent age group

Age	Frequency	Percent	Cumulative Percent
18-27	63	25.0	25.0
28-37	132	52.4	77.4
38-47	51	20.2	97.6
more than 48	6	2.4	100.0
Total	252	100.0	

Source: Questionnaire (2016)

When we see the education background of respondents, almost 99% holds university first degree and second degree. Among this first degree holder account 72.6% and university second degree account 26.2%. And the remaining 1.2% respondents attained diploma. The educational background of respondents are varied and it is a good ground for the study.

Table 10: Education level

Education level	Frequency	Percent	Cumulative Percent
College Diploma	3	1.2	1.2
University First Degree	186	72.6	73.8
University Second Degree	66	26.2	100.0
Total	252	100.0	

Source: Questionnaire (2016)

Among 252 respondents, 51, 20.2%, holds management position and the others 201, 79.8, are employees. In fact, organizational structure is narrow on the top, the research includes significant number of managers' response.

Table 11: Job Position

Job Position	Frequency	Percent	Cumulative Percent
Manager	51	20.2	20.2
Employee	201	79.8	100.0
Total	252	100.0	

Source: Questionnaire (2016)

In terms of work experience the majority, 71.4%, respondents categorized into 6-10 years, 39.3%, and 2-5 year, 32.1%. Respondents who have less than 1 year and greater than 10 year work experience found 6(2.4%) and 66(26.2%), respectively. This implies the company retains more experienced workers which help the research to get valid response from more exposed and familiar to the company brand.

Table 12: Years of experience

Years of experience	Frequency	Percent	Cumulative Percent
Less than 1 year	6	2.4	2.4
2- 5 years	81	32.1	34.5
6- 10 years	99	39.3	73.8
More than 10 years	66	26.2	100.0
Total	252	100.0	

Source: Questionnaire (2016)

4.2 Levels of EBBE

In order to measure the level of employee-based brand equity (EBBE), 22 statements are selected from different literature and respondents were asked to give their levels of agreement for each statements. The 22 statements designed to address the three dimensions of EBBE: brand Knowledge, Role clarity and brand commitment.

The descriptive statistics shows CBE’s level of EBBE is Mean 4.02 (Sta. dev. 0.48) from five point measurement scale. It seems that the company is in good position in terms of EBBE. The 4.02 level of EBBE measured from the three dimensions: mean 4.23 (Sta. dev. 0.57) for employee Brand knowledge, mean 4.19 (Sta. dev. 0.48) for role clarity and mean 3.65 (Sta. dev. 0.68) for Brand commitment.

4.2.1 Level of employee brand knowledge

From the three dimensions of employee based brand equity, brand knowledge score the highest level of agreement (mean=4.21 and Sta. dev.=.57). To address employee brand knowledge, respondent asked to give their level of agreement for 5 statements. From the five statements “I am aware of my organization’s goals we try to achieve through the brand” score highest (mean = 4.33 and Sta. dev. =.66) and “I know which attributes of our brand differentiate us from our competitors” score lowest (mean =4.07 and sta. dev. =.803). In addition the level of agreement responded on individual items has still high variation from mean.

Table 13: Level of brand Knowledge

Dimension of EBBE	Mean	St. Deviation
Brand Knowledge	4.2095	.57574
I am aware of my organization’s goals we try to achieve through the brand.	4.30	.655
I have a clear sense of my organization’s vision	4.30	.724
I am familiar with what my organization’s brand stands for	4.24	.688
I know the importance of my organization’s goals in delivering the brand promise	4.14	.778
I know which attributes of our brand differentiate us from our competitors	4.07	.803
Valid N (list wise)	252	

Source: Questionnaire (2016)

4.2.2 Level of employee role clarity

The level of agreement result on role clarity is the minimum from the three EBBE dimensions which has a mean score of 4.1905 and std. deviation 0.47746. The average score found from the respondent level of agreement on individual eight item, “I know exactly what is expected of me in my job” has the highest score mean of 4.52 and std. deviation of 0.667. The minimum mean score, 3.73, gained on the statement “I know how my performance is going to be evaluated” and also has the highest variation from the mean, 0.855. In addition, the level of agreement responded on individual items have still high variation from mean.

Table 14: level of role clarity

Dimension of EBBE	Mean	Std. Deviation
Role clarity	4.1905	.47746
I know exactly what is expected of me in my job.	4.52	.667
I know what my responsibilities are.	4.40	.679
I know how I should behave while I am on the job.	4.35	.570
I know what I expected to achieve in my job.	4.32	.697
I know how I am expected to handle unusual problems and situations while on the job.	4.13	.724
I know how to make specific decisions for my job because I have information about this organization’s brand	4.11	.728
I feel certain about the level of my authority in my present job.	3.96	.842
I know how my performance is going to be evaluated.	3.73	.855
Valid N (listwise)	252	

Source: Questionnaire (2016)

4.2.3 Level of employee brand commitment

Employee brand commitment level found the lowest of the three dimensions on mean score of 3.6473 and the highest variation from mean, std. deviation 0.68415. As the table below shows from the brand commitment eight statement “I am proud to tell others that I am a part of this

organization” scores maximum mean result of 4.02 and the minimum score 2.94 was found on “If the values of this organization were different, I would not be attached to this organization”. This item has the highest variation score, std. deviation 1.09. Generally variation from mean found on the individual item of brand commitment from the three EBBE dimension.

Table 15: Levels of brand commitment

Dimension of EBBE	Mean	Std. Deviation
Brand commitment	3.6473	.68415
I am proud to tell others that I am a part of this organization	4.02	.981
I view the success of brand as my own success	3.95	.775
I feel belonging to this organization	3.86	.939
The reason I prefer this organization to others is because of what it stands for, its values	3.71	1.048
What this organization stands for is important to me	3.62	.968
I feel like part of a family at this organization.	3.61	1.076
My values are similar to this organization	3.46	.950
If the values of this organization were different, I would not be attached to this organization	2.94	1.090
Valid N (list wise)	252	

Source: Questionnaire (2016)

4.3 Relationship between EBBE Dimensions

Previous researches proposed that there is a positive and significant relationship between the three dimensions of employee-based brand equity: brand knowledge, role clarity and brand commitment. If the employees have a high level of brand knowledge, they are able to clarify their roles and deliver the brand promise (Ambler, 2003; , 2005; King & Grace, 2010).

Based on literature reviewed, three hypotheses are proposed. These are:

H₀ 1: Brand knowledge and role clarity have no significant relationship.

H₁ 1: Brand knowledge and role clarity have positive significant relationship.

H₁ 3: Role clarity and brand commitment have positive significant relationship.

In order to accept or reject the null hypotheses, Pearson correlation test employed. Table 16 shows the correlation between brand knowledge, role clarity and brand commitment.

Table 16: Correlation matrix for brand knowledge, role clarity and brand commitment

EBBE dimensions		Brand Knowledge	Role clarity	Brand commitment
Brand Knowledge	Pearson Correlation			
	Sig. (2-tailed)			
	N	252		
Role clarity	Pearson Correlation	.755**		
	Sig. (2-tailed)	.000		
	N	252	252	
Brand commitment	Pearson Correlation	.491**	.433**	
	Sig. (2-tailed)	.000	.000	
	N	252	252	252

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Questionnaire (2016)

As table 16 depicts, brand knowledge and role clarity are strongly and positively correlated ($r = .755$). The result is statistically significant at 99.9 %. This support literatures proposition that high level of brand knowledge help employee to clarify their role in work place.

H₀ 1: “Brand knowledge and role clarity have no significant relationship” is rejected with 99.9% of confidence and the alternative hypotheses is accepted: H₁ 1: Brand knowledge and role clarity have positive significant relationship.

The relationship between brand knowledge and brand commitment found moderate and positive ($r = .491$) and their relationship is significant at 99.9 % confidence level. This support the initial hypothesis, H2 that brand knowledge and brand commitment have strong relationship. King and Grace (2005) argue that a high level of brand knowledge serves as a catalyst for employees' role clarity.

H₀ 2 is rejected: Brand knowledge and brand commitment have no significant relationship.

H₁ 2: Brand knowledge and brand commitment have positive significant relationship is accepted.

The relationship between role clarity and brand commitment identified as significant positive and moderate ($r = .433$).

H₁3 “Role clarity and brand commitment have positive significant relationship” is accepted at 99.9% confidence level.

4.4 Levels of EBBE: based on job position

Descriptive

As the descriptive presentation under table 17 depicts Variation of respondents level of agreement is high between the two job groups (Manager and employee) even though the mean score is close enough. Managers possessed more values from the three EBBE dimensions compared with employees. In addition, employees response has more variation from mean that implies there exist different level of agreement between employees at center, district and different branch.

Table 17: level of EBBE based on job position

Respondent Job Position	Dimensions of EBBE					
	Brand Knowledge		Role clarity		Brand commitment	
	Mean	St. Deviation	Mean	St. Deviation	Mean	St. Deviation
Manager	4.51	.29	4.32	.34	3.97	.41
Employee	4.13	.60	4.16	.50	3.57	.71

Source: Questionnaire (2016)

Mann-Whitney (M-W) Test

Given the non-parametric nature of variables tested (appendix II), Mann-Whitney test is performed to check whether or not the agreement level of managers and employee for different statements are different or to check whether the level of EBBE is statistically different between different job positions.

Table 18: Mann-Whitney result: based on job position

EBBE dimensions	Respondent			Asymp. Sig. (2-tailed)
	Gender	N	Mean Rank	
Brand Knowledge	Manager	51	169.56	.000
	Employee	201	115.57	
Role clarity	Manager	51	143.09	.067
	Employee	201	122.29	
Brand commitment	Manager	51	157.82	.001
	Employee	201	118.55	

Source: Questionnaire (2016)

The number of observation from employee are considerably higher than managers. The Non-parametric test, Mann-Whitney test show the mean rank of “brand knowledge” for manager (169.56) is higher than employee (115.55). And this mean rank difference is statistically acceptable with 99.9% confidence level. This shows managers have more brand knowledge than employees. With respect to “role clarity”, their mean rank difference is acceptable at lower confidence level, 90%. Managers (mean score 143.09) have more clarity toward their role than employee (mean score 122.29). The mean score difference on level of “brand commitment” between managers and employees is significant at 99.9 %. Similar with the previous one mean score of manager id higher than employee.

4.5 Levels of EBBE: based on work experience

Descriptive

The level of agreement on the 5 item scale increases as the employee were working for more and more years. This explains, if employees have more work experience or stays within the organization for a long years, they develop an emotional connection to the products and services the company sell.

Table 19: level of EBBE based on years of experience

Years of experience	Dimensions of EBBE					
	Brand Knowledge		Role clarity		Brand commitment	
	Mean	St. Deviation	Mean	St. Deviation	Mean	St. Deviation
Less than 1 year	3.80	.22	3.88	.00	3.25	.27
2- 5 years	4.02	.45	4.03	.42	3.51	.65
6- 10 years	4.25	.57	4.29	.51	3.55	.69
> 10 years	4.39	.66	4.25	.44	3.99	.61

Source: questionnaire (2016)

Kruskal-Wallis (K-W) Test

Given the non-parametric nature of the variable tested (appendix II) and the number of groups are more than two, Kruskal-Wallis test was performed. This test shows whether or not level the three dimensions are different among the four work experience groups.

Table 20 *Kruskal-Wallis result: based on work experience*

EBBE dimensions	Respondent work experience				Chi-Square	Asymp. Sig.
	<1y	2-5y	6-10y	>10y		
	Mean	Mean	Mean	Mean		
	Rank	Rank	Rank	Rank		
Brand Knowledge	47.00	90.02	136.31	159.57	42.499	.000
Role clarity	54.5	93.86	149.56	133.45	32.344	.000
Brand commitment	74.75	112.46	115.66	164.41	26.147	.000

a. Kruskal Wallis Test

b. Grouping Variable: Years of experience

Source: Questionnaire (2016)

N.B. number of observation: Less than 1 year 6, 2- 5 years 81, 6- 10 years 99 and More than 10 years 66. Totally 252 observations used for analysis.

Kruskal-Wallis non-parametric test performed to analysis whether or not the value of a particular EBBE dimension differ between the four experience groups. According to K-W test, the levels of all the three EBBE dimensions, “brand knowledge”, “role clarity” and “brand commitment”, are statistically different between experience groups at 99.9% confidence level. Based on the mean score, the level of “brand knowledge” is increased when the employee work experience increased. The highest mean rank registered by respondents who have more than 10 years of experience (159.57) and respondent who have less than 1 years of experience have the lowest brand knowledge (47.00). Similarly the mean rank of “role clarity” and “brand commitment” increased with the increase of work experience with the exception of one. That is “role clarity” mean score for respondent groups between 6 and 10 years (149.56) is higher than respondent groups more than 10 years of experience (133.45).

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The aim of this research was to undertake an empirical support on EBBE developed to test the level of internal equity management in the case of Ethiopian service institution specifically on CBE. To this end, the model was tested empirically if there is a significant relationship between EBBE dimensions (brand knowledge, role clarity and brand commitment) and also to evaluate whether or not this dimensions are differ between job position and work experience by reviewing by conducting survey.

After obtaining feedback from 252 selected respondent from CBE employees, researcher presents the summarized finding regarding the levels of internal brand equity; the correlation result between EBBE dimensions; and also the difference between the above variables (job position and work experience) on the three dimensions. From the finding drawn based on the data analyzed, finally researcher come up with some recommendation on key issues related to the research topic. Conclusion and recommendations based on the key research findings presented in the following section.

5.2 Summery of the major finding

The study found out that level of agreement on 22 items of EBBE dimensions generated a score value of mean 4.02 and std. deviation 0.48. This result from the five point measurement scale employees responded they agreed “4-Agree” on the statement and it can be possibly can concluded CBE is in a good position with respect to the general level of EBBE development. But regarding the variation as std. deviation value shows there exist a difference on employee’s level of agreement ± 0.48 from the mean.

The study also tries to investigate EBBE mean (4.02) in each dimension and brand knowledge score highest mean score (4.23) compared with role clarity mean score (4.19) and Brand commitment at the last with mean score (3.65). This result implies the bank has gap on working on employees' level of brand commitment to the bank because from the all EBBE dimension mean (4.02~"4-Agree") on average 0.35(4-3.65) did not agreed. In addition, brand commitment has the highest response variation from mean, std. deviation 0.68 while the two dimension role clarity and brand commitment has std. deviation 0.57 and 0.48, respectively.

Using Pearson correlation test made on SPSS descriptive statics result to test the proposed positive and significant relationship between the three dimensions of EBBE the study get the following result:

Brand knowledge and role clarity found strong and positive ($r = 0.755$) significant relationship at 99.9% confidence level that support the initial hypothesis H₁ 1, "Brand knowledge and role clarity have positive significant relationship."

Brand knowledge and brand commitment found moderate and positive ($r=0.491$) significant relationship at 99.9% confidence level that support the initial hypothesis H₁ 2, "brand knowledge and brand commitment have strong relationship."

Brand knowledge and brand commitment found moderate and positive ($r =0.433$) significant relationship at 99.9 % which support the initial hypothesis H₁ 3, "Role clarity and brand commitment have positive significant relationship."

The above hypothesis test provides a reasonable ground with empirical result to advocate the causal relationship between those EBBE dimensions and internal brand equity management decision to increase one of EBBE dimension also enable a positive effect on the others two dimensions.

In order to see the bank level of brand equity between different groups like job position and work experience, the study run Mann-Whitney test and Kruskal-Wallis test, respectively. Thus, the first

test on the level of EBBE dimensions response consistency measurement scale items with in the two job position variables, “Manager” and “Employee”, the study reveals the level of brand knowledge, role clarity and brand commitment is higher for managers than employee. This difference is statistically supported at high confidence level for all dimensions.

The undertaken Kruskal-Wallis test depict more experienced staffs (between 6 and 10 years and more than 10 years) brand knowledge (mean 4.39, 4.25), role clarity (mean 4.25, 4.29) and brand commitment (mean 3.99, 3.55) is higher than less experienced staffs (less than 1 year and between 1 and 5 years) brand knowledge (mean 3.8, 4.02), role clarity (mean 3.88, 4.03) and brand commitment (mean 3.25, 3.51) respectively. The mean difference among experience groups found statistically significant at 99.9% confidence level.

5.3 Conclusion

From the above summery result that researcher reach at the following conclusion

- The research found out that CBE has in a good position on developing brand equity internally.
- The variation response result found between the company employees, research concluded there exist variation of level of understanding between CBE employees with regard to company brand internalization.
- Besides, the result found on mean and std. deviation on brand commitment shows the bank employees did not equipped with enough brand commitment.
- The study has supported empirically for EBBE dimensions relationships that the activities of the one dimension will have positive effect on the other dimensions.
- Managers of CBE on average has a good stand on the company brand knowledge, their role and brand commitment even though employees possess not in a satisfactory level.
- From the descriptive statistics analysis the study also found out that, if employees have more work experience or stays within the organization for a long years, they believe in the banks brand and feel engaged or, better toward the company.

5.3 Recommendations

Based on the analysis made on the collected response from the bank's employees researcher presented its findings, thus this part forwarded some workable recommendations for those interested groups in the area of brand equity at large and specifically internal brand management (EBBE). In addition this recommendation would be consider for similar service institutions especially bank managers, executives and marketers when they design, promote and selling the company brand internally.

- Taking the research finding that CBE has in a good position on developing brand equity internally; the bank shall maintain this performance through continues planning and execution of a communications strategy designed to promote employees' brand vision understanding and acceptance in the every decision they make.
- Even though the bank overall internal brand equity is good, the bank should develop materials that can be understand by different employees' and also employees at all branch, district and center need to hear the same messages.
- Respondents did not agree full on their brand commitment, internal branding campaign should give more infuses by working on employees accepting the values and beliefs of the organization and willingness to try on behalf of the organization.
- Based on the finding that there is a significant positive relationship between EBBE dimensions the bank possibly could implement internal brand equity building activities on the three dimensions.
- From the descriptive statistics analysis the study found out that managers possessed more values from the three EBBE dimensions compared with employees. Thus, the company develop training and discussion with company managers which will have a cross-purposes to increase managers' level of brand acceptance and also tune up the managers understanding to the employees.

- Having in mind that more experienced or employees working for longer years has good score on the level of EBBE dimension; the bank shall create opportunities for an internal branding campaign and direct people's energy in a positive direction which help employees to stay in the company.

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APPENDIXES

Addis Ababa university school of commerce
Graduate Studies program
Department of Marketing Management

APPENDIX I: QUESTIONNAIRE

Dear Respondent,

My name is Habtamu Becheni. I am a student in the post graduate program of the Addis Ababa University. I am conducting a research on the topic entitled “Employee Based Brand Equity: a case of CBE” to fulfill the partial requirement of the Master of Marketing Management (MMM) degree.

This questionnaire is designed to collect information/data for the purpose caption above. You are, therefore, kindly requested to take a few minutes of your precious time to fill out the questionnaire as genuinely as possible.

Since the information you give is only for academic purposes its anonymity is guaranteed. There is no need to write your name. I remain grateful to you for your kind cooperation.

Habtamu Becheni

May 2016

Section I. Respondent Profile *(Please put a tick (✓) or X mark in the appropriate box to indicate your answer)*

1. Gender

Male

Female

2. Age

18-27

28-37

38-47

more than 48

3. Education level

Secondary Education (Grade 9-12)

College Diploma

University First Degree

University Second Degree

Others (specify) _____

4. Job Position

Manager Employee

5. Years of experience

Less than 1 year 2- 5 years
 6- 10 years More than 10 years

Section II. Regarding employee-based brand equity

Please indicate your agreement level for each listed statements by putting tick (√) mark under the appropriate number (5- Strongly agree; 4- Agree; 3- Neither agree nor disagree ;2- Disagree;1- Strongly disagree;).

NO.	Constructs of EBBE	5	4	3	2	1
1	Brand Knowledge					
1.1	I am aware of my organization’s goals we try to achieve through the brand.					
1.2	I am familiar with what my organization’s brand stands for.					
1.3	I have a clear sense of my organization’s vision.					
1.4	I know which attributes of our brand differentiate us from our competitors.					
1.5	I know the importance of my organization’s goals in delivering the brand promise.					
2	Role Clarity					
2.1	I know exactly what is expected of me in my job.					
2.2	I feel certain about the level of my authority in my present job.					
2.3	I know how my performance is going to be evaluated.					
2.4	I know how I am expected to handle unusual problems and situations while on the job.					
2.5	I know what I expected to achieve in my job.					
2.6	I know what my responsibilities are.					
2.7	I know how to make specific decisions for my job because I have information about this organization’s brand.					
2.8	I know how I should behave while I am on the job.					

3	Brand Commitment				
3.1	I am proud to tell others that I am a part of this organization.				
3.2	I view the success of brand as my own success.				
3.3	The reason I prefer this organization to others is because of what it stands for, its values.				
3.4	I feel like part of a family at this organization.				
3.5	My values are similar to this organization.				
3.6	What this organization stands for is important to me.				
3.7	If the values of this organization were different, I would not be attached to this organization.				
3.8	I feel belonging to this organization.				

N.B. if you have any additional comment please indicate below_____

Thanks once again for your kind cooperation!!!

APPENDIX II One-Sample Kolmogorov-Smirnov Test

		Brand Knowledge	Role clarity	Brand commitment
N		252	252	252
Normal Parameters ^{a,b}	Mean	4.2095	4.1905	3.6473
	Std. Deviation	.57344	.47555	.68142
Most Extreme Differences	Absolute	.191	.109	.114
	Positive	.084	.097	.079
	Negative	-.191	-.109	-.114
Kolmogorov-Smirnov Z		3.028	1.736	1.814
Asymp. Sig. (2-tailed)		.000	.005	.003

a. Test distribution is Normal.

b. Calculated from data.